



# ARHA REDEVELOPMENT WORK GROUP MEETING

# MEETING AGENDA May 20, 2021 5:30 PM – 7:00 PM

# **Virtual Meeting Log-In Information**

URL: https://zoom.us/webinar/register/WN\_d\_0cdoDhTvmNSHgpvAw5lA

Dial-in Number: (301)715-8592 Webinar ID: 941 6953 9947 Webinar Passcode: 857804

Due to the COVID-19 Pandemic emergency, the April 15, 2021 meeting of the ARHA Redevelopment Work Group is being held electronically pursuant to Virginia Code Section 2.2-3708.2(A)(3), the Continuity of Government ordinance adopted by the City Council on June 20, 2020 or Section 4-0.01(g) in HB29 and HB30, enacted by the 2020 Virginia General Assembly (Virginia Acts of Assembly Ch. 1283 and 1289), to undertake essential business. All of the members of the Board and staff are participating from remote locations through Zoom. This meeting is being held electronically, unless a determination is made that it is safe enough to be held in person in the City Council Chamber at 301 King Street, Alexandria, VA. Electronic access will be provided in either event. The meeting can be accessed by the public through this Zoom link and via Dial-in number: 301-715-8592. Public comment will be received during the meeting. Members of the public can type questions in the Zoom Chat and the Chair will recognize the question. Tonight's meeting is being recorded.

1. Welcome

a. Introductions

b. Public comment period

2. Review of April 15, 2021 Work Group Draft Meeting Summary

3. Development Planning

a. Ladrey Site Design

b. RAD and Section 18 Updates

4. Update on Properties Entering Year 15

5. Other Business

a. June and September 2021 Meeting Topics\*

b. July/August 2021 Recess

c. Other topics

Mayor Justin Wilson

Redevelopment Work Group

Keith Pettigrew, Alexandria Redevelopment and Housing Authority

David Cortiella Alexandria Redevelopment and Housing Authority

Staff and Redevelopment Work Group

#### **\*UPCOMING CY21 MEETING TOPICS:**

- ➤ June 2021 Meeting:
  - o Demographics of ARHA Residents/Waiting Lists
  - o Rental Assistance Demonstration Process
- > September 2021 Meeting:
  - Funding for Future Development Projects (Pre-Development Funds & Replacement Reserves for RAD projects)

# Alexandria Redevelopment and Housing Authority Redevelopment Work Group April 15, 2021

# MEETING SUMMARY VIRTUAL MEETING

### **Participants**

# **Work Group Members**

Justin M. Wilson, Mayor, City of Alexandria John Taylor Chapman, Council Member, City of Alexandria Stephen Koenig, City of Alexandria Planning Commission Peter Kleeblatt, Chair, ARHA Board of Commissioners Anitra Androh, Vice Chair, ARHA Board of Commissioners

#### City of Alexandria/Alexandria Redevelopment and Housing Authority (ARHA) Staff

Helen S. McIlvaine, Director, Alexandria Office of Housing
Eric Keeler, Alexandria Office of Housing
Emily Baker, Deputy City Manager
Christina Zechman Brown, Deputy City Attorney
Karl Moritz, Director of Planning and Zoning
Nancy Williams, Department of Planning and Zoning
Catherine Miliaras, Department of Planning and Zoning
Brandi Collins, Office of Housing
Sam Gates, Office of Housing
Kim Cadena, Office of Housing
Keith Pettigrew, CEO, Alexandria Redevelopment and Housing Authority
David Cortiella, Alexandria Redevelopment and Housing Authority
Thomas Jones, Alexandria Redevelopment and Housing Authority

#### **Introductions and Meeting Summary Approval**

Mayor Justin Wilson convened the virtual meeting and read information regarding how the public could participate in the virtual meeting by Zoom. He confirmed there were no members of the public who wished to speak and asked the Work Group to approve the summary of the March 18, 2021 meeting.

The Meeting Summary of the March 18, 2021 meeting was approved. It was noted that the summary approved included a clarifying revision to an earlier version circulated among Work Group members.

#### **Development Planning**

Keith Pettigrew provided an update on ARHA's current plans for development projects. He reported that they were evaluating the costs of the design concepts for Ladrey that would take

advantage of the full footprint of the former executive building as well as the existing site and that they would have cost analyses from three different firms on April 21. He will be presenting those numbers to the Board of Commissioners on April 26 so they can determine how to proceed. Mayor Wilson asked what the timeline for engagement with Ladrey residents would be and Mr. Pettigrew replied community engagement would begin once the Board of Commissioners selected a final design concept.

Mr. Pettigrew shared that ARHA had submitted <u>HUD Rental Assistance Demonstration</u> (RAD) applications for six properties. He expects that the applications will not be approved by HUD until the beginning of next year. In the meantime, ARHA will be conducting Physical Needs Assessments of the properties and updating their residents on status of the RAD process. He added ARHA had recently been invited by HUD to make a presentation for other local jurisdictions on their repositioning strategy.

#### Life Cycle of a Development Project

Helen McIlvaine gave a presentation to the Work Group on the life-cycle of an affordable housing project. During the presentation, members of the Work Group asked several questions.

Mayor Wilson asked if the City had a standard approach to deferred developer's fees. Ms. McIlvaine explained the City structures its loans to be residual receipt loans, allowing the developer to recoup its fee from the project's cash flow before repaying the City loan. She went on to say this was necessary in tax credit projects because developer's fees were included in the tax credit basis and the calculation of investment equity and are typically available as contingency funds in case of cost overruns. She said that the portion of the fee that could be deferred was usually no more than 50% or 60% of the total fee. Mayor Wilson followed up with a question about how public housing authority projects would differ from other types of projects. Ms. McIlvaine said that the primary difference was the tax credit pool the projects would compete in. David Cortiella added that HUD had caps on the fees that could be charged and that developer fees were typically limited to no more than 15% of project costs. Later on, when discussing the topic of Year 15 investor exits and resyndications, Mayor Wilson asked if there was a standard procedure for these when dealing with projects that included City investment. Ms. McIlvaine said that while the Office of Housing does regular project monitoring, there was not necessarily advance planning in place for projects nearing Year 15 and it would be a good idea to do such planning going forward.

When Ms. McIlvaine talked about the topic of property operation, maintenance, and compliance, Mr. Pettigrew stated that he is pushing the ARHA staff to develop competencies in these areas so they can manage their properties instead of hiring third-party management companies.

Finally, when Ms. McIlvaine presented a slide on ARHA's planned RAD conversions, Peter Kleebatt noted that while the slide said RAD "enables higher rents" what it actually provided

was higher subsidies. Mr. Kleebatt said the slide should be changed to reflect this to prevent confusion on the part of residents and officials who were unfamiliar with the RAD program. Ms. McIlvaine agreed and said the change would be made before the slides were posted to the website.

#### **Development Projects Update**

# The Lineage at North Patrick Street (formerly Ramsey Homes)

Mr. Pettigrew discussed the upcoming ribbon-cutting and reported that twenty-eight (28) to thirty (30) residents have moved in. The Mayor asked when move-ins would be completed, and Mr. Pettigrew said the last family was scheduled to move-in on April 28.

#### **Other Business**

# **Work Group Meeting Topics**

The Work Group confirmed the next meeting date would be Thursday, May 20. Mayor Wilson asked what the meeting topic for the May meeting would be and Ms. McIlvaine answered that ARHA would be presenting on their Year 15 Projects. Mayor Wilson followed up with a question about the June meeting topic and Ms. McIlvaine said it would be about either the financial needs of future projects or the composition and demographics of the new ARHA waiting list and current ARHA residents. Mayor Wilson inquired about topics for other meetings and Ms. McIlvaine responded that she thought it might be prudent to decide on those in May or June once more information was available about Ladrey and other projects. Mayor Wilson agreed this was a sound plan.

Mayor Wilson adjourned the meeting.